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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA

Volume 20

DECEMBER 1975

Number 5

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - DECEMBER 1975

The Chattanooga Order minimum uniform producer price is \$10.47 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 11.9 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of \$2.04 above December 1974 and an increase of 27 cents above November 1975.

In December 1975, 82.7% of producer milk received by pool plants was priced in Class I at \$10.75 per cwt., 6.0% was priced in Class II at \$9.18 per cwt. and 11.3% was priced in Class III at \$9.08 per cwt. for milk testing 3.5% butterfat. The December butterfat differential for all milk testing above or below 3.5% is 11.9 cents.

Total producer milk received at pool plants during December 1975 was 29,274,947 pounds which is an increase of 684,051 pounds or a daily average increase of 2.4% compared with December 1974. The December daily average deliveries from 507 producers was 1,863 pounds. This compares to 566 farms delivering a daily average of 1,629 pounds per day during December 1974.

MILK PRODUCTION

NOVEMBER MILK PRODUCTION UP 1.9 PERCENT FROM LAST YEAR

November milk production is estimated at 8,832 million pounds, up 1.9 percent from a year earlier, according to the Crop Reporting Board. Production for the first 11 months of 1975 totaled 106,214 million pounds, a decrease of 0.1 percent from both the same period last year and 1973.

MILK COWS DOWN 0.9 PERCENT, PRODUCTION PER COW UP

Milk cows on farms during November totaled 11,108,000, down 0.9 percent from a year ago and 1.7 percent below November 1973. The estimated number of milk cows is 18,000 below a month earlier.

November production per cow averaged 795 pounds, 21 pounds more than a year ago and 35 pounds above November 1973.

MILK-FEED PRICE RATIO UP FROM LAST MONTH AND LAST YEAR

The November milk-feed price ratio, at 1.78, was 10 percent above October and 45 percent above November 1974. The average price of milk sold to plants was above the previous month in all regions. The average value of grain and other concentrates fed milk cows was below the previous month in all regions.

Source: Milk Production - USDA, Statistical Reporting Service, December 11, 1975

COMPARISON OF MILK RECEIPTS AND UTILIZATION
(DAILY AVERAGE POUNDS)

	<u>% Dec. '75</u>			
	<u>Over</u>	<u>Dec.</u>	<u>Nov.</u>	<u>Dec.</u>
	<u>Dec. '74</u>	<u>1975</u>	<u>1975</u>	<u>1974</u>
Number of Plants - Pool		4	4	4
- Non-Pool		11	11	14
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	+ 2.4	944,353	920,794	922,287
- Other Source	-11.6	39,404	57,122	44,594
- Other Federal Order	-76.4	1,029	3,418	4,363
Non-Pool Plants - Cl. I Sales in Area	- 2.5	58,145	54,468	59,650
TOTAL MILK RECEIPTS	+ 1.2	1,042,931	1,035,802	1,030,894

UTILIZATIONClass I Uses

Homogenized Milk	+ 2.9	398,324	387,869	387,270
Lowfat - 2% Milk	+14.2	268,146	261,169	234,829
Skim Milk	+ 0.4	18,759	19,332	18,682
Buttermilk	+ 1.7	57,830	58,155	56,846
Flavored Milk and Drink	+11.2	31,435	35,412	28,279
Sub-Total of Pkg. Items (Pool Plants)	+ 6.7	774,494	761,937	725,906
Other, Shrinkage		3,030	1,546	226
Sales to Non-Pool Plants	+ 6.4	5,002	27,502	4,702
In Area Sales by Non-Pool Plants	- 2.5	58,145	54,468	59,650
TOTAL CLASS I USAGE	+ 6.3	840,671	845,453	790,484

Class II Uses - Pool Plants Only

Sweet Creams - Routes	+ 7.6	2,930	2,498	2,722
Sour Cream and Dip - Routes	+15.9	2,971	2,069	2,563
Yogurt - Routes	+39.8	309	355	221
Frozen Desserts and Ice Milk Mixes	+31.0	60,425	69,703	46,116
Other, Cottage Cheese, Inventory, etc.	-44.0	26,053	39,786	46,552
Sales to Non-Pool Plants	-21.1	2,927	4,872	3,709
TOTAL CLASS II USAGE	- 6.2	95,615	119,283	101,883

Class III Uses - Pool Plants Only

Animal Feed and Dumped	- 5.3	6,104	4,728	6,449
Class III Shrinkage	+ 4.6	15,544	17,032	14,867
Inventory Variation		(19,402)	22,447	8,942
Other, Overage, etc.		(80)	53	23
Bulk Sales to Non-Pool Plants	- 3.5	104,479	26,806	108,246
TOTAL CLASS III USAGE	-23.0	106,645	71,066	138,527

IN AREA PACKAGE ROUTE DISPOSITION
BY POOL PLANTS AND NON-POOL PLANTS

Homogenized Milk	+ 1.6	301,186	293,055	296,526
Lowfat - 2% Milk	+19.4	191,148	184,145	160,118
Skim and 1% Milk	- 4.6	13,532	13,940	14,182
Buttermilk	+ 2.3	44,854	44,446	43,839
Flavored Milk and Drink	+10.6	25,446	28,963	23,005
Total Class I Disposition In-Area	+ 7.2	576,166	564,549	537,670

CLASS I PKG. ROUTE DISPOSITION

In-Area by Pool Plants	+ 8.4	518,021	510,081	478,020
In-Area by Non-Pool Plants	- 2.5	58,145	54,468	59,650

COMPUTATION OF PRODUCER UNIFORM PRICE

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DECEMBER 1975	Class Percent	Butterfat Pounds	Product Pounds	Cwt. Price @ 3.5%	Total Value
Class I Producer Milk	82.717	635,521	24,215,288	\$10.75	\$2,603,143.48
Class II Producer Milk	6.036	198,025	1,766,975	9.18	162,208.30
Class III Producer Milk	11.247	329,628	3,292,684	9.08	298,975.71
TOTAL PRODUCER MILK	100.00	1,163,174	29,274,947		\$3,064,327.49
Less Handler Class I Location Adjustment					-0-
Add Value of Overages					256.43
Add Inventory Reclassification Charges					1,516.81
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Balance					12,912.47
Total Utilization Value @ 3.5% Test			29,274,947	10.517571	\$3,079,013.20
Less Producer Settlement Fund Reserve			29,274,947	.047571	13,926.39
WEIGHTED AVERAGE PRICE @ 3.5% TEST			29,274,947	\$10.47	\$3,065,086.81

DECEMBER 1975 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 11.9¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$9.875	3.6	\$10.589	4.2	\$11.303	4.8	\$12.017	5.4	\$12.731
3.05	9.9345	3.65	10.6485	4.25	11.3625	4.85	12.0765	5.45	12.7905
3.1	9.994	3.7	10.708	4.3	11.422	4.9	12.136	5.5	12.85
3.15	10.0535	3.75	10.7675	4.35	11.4815	4.95	12.1955	5.55	12.9095
3.2	10.113	3.8	10.827	4.4	11.541	5.0	12.255	5.6	12.969
3.25	10.1725	3.85	10.8865	4.45	11.6005	5.05	12.3145	5.65	13.0285
3.3	10.232	3.9	10.946	4.5	11.66	5.1	12.374	5.7	13.088
3.35	10.2915	3.95	11.0055	4.55	11.7195	5.15	12.4335	5.75	13.1475
3.4	10.351	4.0	11.065	4.6	11.779	5.2	12.493	5.8	13.207
3.45	10.4105	4.05	11.1245	4.65	11.8385	5.25	12.5525	5.85	13.2665
3.5	10.47	4.1	11.184	4.7	11.898	5.3	12.612	5.9	13.326
3.55	10.5295	4.15	11.2435	4.75	11.9575	5.35	12.6715	5.95	13.3855

CHATTANOOGA FEDERAL ORDER - MILK BASE RULES

The following Federal Order rules apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area.

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
 1. All base transfers shall be signed by the person transferring base and the person receiving base.
 2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator prior to the first day of the month on which such division is to be effective.

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/			Butterfat Diff.	HANDLER CLASS PRICES 1/		
	Per Hundredweight				Per Hundredweight		
	Uniform	Base	Excess		Class I	Class II	Class III
Dec. '74	\$8.43	-	-	7.5¢	\$8.97	\$6.51	\$6.41
Jan. '75	8.56	-	-	7.7	8.91	6.90	6.80
Feb.	8.49	-	-	7.8	8.95	6.95	6.85
Mar.	8.44 2/	\$8.75	\$6.86	7.8	9.00	6.96	6.86
Apr.	8.48 2/	8.78	6.95	8.0	9.00	7.04	6.94
May	8.60 2/	8.88	7.04	8.0	9.01	7.12	7.02
June	8.61 2/	8.90	7.13	8.0	9.09	7.21	7.11
July	8.76 2/	9.12	7.40	8.8	9.17	7.45	7.35
Aug.	8.95	-	-	9.6	9.26	7.80	7.70
Sept.	9.40	-	-	10.1	9.50	8.37	8.27
Oct.	9.71	-	-	10.7	9.85	8.70	8.60
Nov.	10.20	-	-	11.2	10.42	8.94	8.84
Dec.	10.47	-	-	11.9	10.75	9.18	9.08
Jan. '76	-	-	-	-	10.99	-	-
Feb.	-	-	-	-	11.23	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK					
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Daily Average Pounds			Percentage Use		
	¢ Lb.	¢ Lb.	Cwt. -3.5%	Class I	Class II	Class III	Per Class		
							I	II	III
Dec. '74	65.32	56.74	\$6.41	725,078	60,395	136,814	78.6	6.6	14.8
Jan. '75	66.82	56.73	6.80	764,045	72,610	84,210	83.0	7.9	9.1
Feb.	68.07	59.24	6.85	768,419	80,627	139,425	77.7	8.2	14.1
Mar.	68.07	60.58	6.86	738,878	82,184	181,403	73.7	8.2	18.1
Apr.	69.19	60.66	6.94	759,785	108,797	146,159	74.9	10.7	14.4
May	69.19	60.36	7.02	780,974	92,334	110,920	79.3	9.4	11.3
June	69.19	60.44	7.11	721,087	118,266	113,532	75.7	12.4	11.9
July	76.62	60.45	7.35	758,335	126,105	96,461	77.3	12.9	9.8
Aug.	83.56	61.44	7.70	774,089	122,771	68,717	80.2	12.7	7.1
Sept.	87.87	64.08	8.27	845,822	63,103	22,796	90.8	6.8	2.4
Oct.	93.04	68.29	8.60	802,424	61,598	42,129	88.6	6.8	4.6
Nov.	97.28	71.36	8.84	789,061	61,333	70,400	85.7	6.7	7.6
Dec.	103.62	71.17	9.08	781,138	56,999	106,216	82.7	6.0	11.3

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA					
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
Dec. '74	18	1,030,894	790,484	4	616	922,287	-	3.94	1,497
Jan. '75	19	1,047,656	837,544	4	525	920,865	-	3.89	1,754
Feb.	19	1,108,305	836,919	4	601	988,471	-	3.85	1,645
Mar.	18	1,124,083	803,678	4	567	1,002,465	841,666	3.87	1,768
Apr.	18	1,122,545	825,321	4	562	1,014,741	854,515	3.78	1,806
May	18	1,101,844	846,701	4	557	984,228	840,125	3.74	1,767
June	18	1,057,279	772,728	4	570	952,885	802,710	3.71	1,672
July	18	1,097,026	811,262	4	625	980,901	782,023	3.64	1,569
Aug.	16	1,063,347	704,708	4	612	965,577	-	3.60	1,578
Sept.	16	1,077,503	908,919	4	540	931,721	-	3.66	1,725
Oct.	16	1,046,372	867,764	4	505	906,151	-	3.81	1,794
Nov.	15	1,035,802	845,453	4	501	920,794	-	3.87	1,838
Dec.	15	1,042,931	840,671	4	507	944,353	-	3.97	1,863

1/ Excludes Premium

2/ Weighted Average Price

3/ Other Source is Gross Minus Producer